

December 11, 2012

Contact:
Ashley Jared, Iowa Finance Authority
515.725.4934
ashley.jared@iowa.gov

IOWA FINANCE AUTHORITY AND USDA RURAL DEVELOPMENT PARTNER TO AWARD \$10 MILLION TO PRESERVE AFFORDABLE HOUSING IN FOUR COMMUNITIES

Affordable housing projects to be preserved throughout Iowa

DES MOINES – The Iowa Finance Authority (IFA) Board of Directors recently announced awards of more than \$10 million to preserve and rehabilitate affordable housing in Cedar Rapids, Des Moines, La Porte City and Logan. The awards were made from the federal Housing Tax Credit and HOME programs and Iowa Finance Authority's Multifamily Loan program in partnership with USDA Rural Development.

"Preserving affordable housing is one of the most effective ways of advancing affordable housing opportunities for Iowans," said Iowa Finance Authority Executive Director Dave Jamison. "The Iowa Finance Authority and USDA Rural Development have joined together to create these additional opportunities to preserve Iowa's affordable rental housing stock through a Housing Tax Credit set-aside, HOME program funds and revolving loan fund, all specifically for this purpose and I thank USDA Rural Development for sharing in IFA's mission to preserve this vital affordable housing."

"Iowa has one of the nation's highest percentages of residents who are 65 years of age or older, so having safe, affordable, and modern apartments is especially important," said Bill Menner, USDA Rural Development State Director in Iowa. "However, many apartment complexes in rural Iowa are aging and in need of significant renovation and repair."

Housing Tax Credits

The Internal Revenue Service makes an annual per capita allocation of federal tax credits to each state as part the Housing Tax Credit program. Developers who receive tax credits sell them to investors to generate equity for the housing developments. The tax credits provide a dollar-for-dollar reduction to the investor's federal tax liability on ordinary income. IFA is charged with allocating those credits to developers of affordable housing in Iowa annually. In addition to the annual competitive tax credit round, the Housing Tax Credit program also has noncompetitive set-asides for targeted uses, which are awarded on an ongoing basis.

The IFA Board of Directors recently approved \$515,423 in Housing Tax Credits from a noncompetitive Rural Development preservation demonstration set-aside to assist two USDA Rural Development Section 515 Multi-Family Housing Program properties that were at risk of losing affordability restrictions. The actual awards exceed \$5.1 million because they are committed annually for a ten year period.

In addition to the Rural Development set-aside Housing Tax Credit awards, these projects are receiving a combined total of nearly \$229,000 in permanent low-cost financing, made available from a \$2 million revolving loan fund supplemented by USDA Rural Development and administered by the Iowa Finance Authority.

HOME Program

The U.S. Department of Housing and Urban Development allocates approximately \$2 billion in HOME program funding among states and hundreds of localities nationwide.

The IFA Board of Directors recently approved \$647,000 in State HOME funds to support two rental housing tax credit projects and \$1,470,000 in HOME funds for three rental non-Housing Tax Credit rental projects.

Housing Tax Credit Preservation Demonstration Awards:

Boyer View Apartments, Logan

- Address: 103 Boyer View
- Units: 24 affordable units
- Project type: Senior housing
- Tax Credits: \$1,728,330
- HOME award: \$205,000
- Preservation Revolving Loan Fund: \$113,911

Prairie Village of Laporte City

- Address: 220 Valley Dr.
- Units: 32 affordable units
- Project type: Senior housing
- Tax Credits: \$3,425,900
- HOME award: \$442,000
- Preservation Revolving Loan Fund: \$115,000
- IFA Construction Loan: \$2,500,000

Home Program Rental Awards

Lease – Affordable Living Apartments on 6th Ave., Des Moines

- Address: 1811 6th Ave.
- Units: 7 affordable units
- Project type: Rehabilitation
- HOME award: \$490,000

Wellington Heights Neighborhood Revitalization Initiative, Cedar Rapids

- Address: Multiple addresses in Wellington Heights
- Units: 4 affordable units
- Project type: Rehabilitation
- HOME award: \$280,000

Stewart Park Townhomes LLLP, Des Moines

- Address: 1430 E. Capitol Ave.
- Units: 10 affordable units
- Project type: Rehabilitation
- HOME award: \$700,000

The Iowa Legislature created The Iowa Finance Authority, the state's housing finance agency, in 1975 to undertake programs to assist in the attainment of housing for low and moderate-income Iowans.